

<div>CONTRACT AWARD</div>		<div>STATE OF ALASKA</div> <div>HQ, STATE EQUIPMENT FLEET (Contracting Authority)</div> <div>2200 E. 42nd Avenue</div> <div>Anchorage, Alaska 99508</div>		<div>CONTRACT AWARD NUMBER</div> <div>CA1697-12</div>	
ORDERING DEPARTMENT: HEADQUARTERS, STATE EQUIPMENT FLEET 2200 E. 42ND AVENUE ANCHORAGE, ALASKA 99508 (907) 269-0793 PHONE / (907) 269-0801 FAX			DATE OF CONTRACT: MAY 11, 2012 DATE INITIAL CONTRACT BEGINS: MAY 11, 2012 DATE INITIAL CONTRACT ENDS: MAY 10, 2013 NUMBER & PERIOD OF RENEWALS: TWO (1) YEAR RENEWAL OPTIONS RENEWALS EXPIRE (MO/YR): MAY 10, 2015 ISSUED IN ACCORDANCE WITH BID # SEF- 1697 DATED: MAY 23, 2011 ESTIMATED VALUE OF INITIAL TERM: \$1,400,000.00		
CONTRACTOR: NC MACHINERY ADDRESS: 6450 ARCTIC BLVD. ANCHORAGE, AK 99518 CONTACT NAME: MIKE LICHTER PHONE NUMBER: (907) 786-7534 E-MAIL: MLICHTER@NCMACHINERY.COM					
SEND INVOICES IN DUPLICATE TO: STATE EQUIPMENT FLEET, 2200 E. 42ND AVENUE, ANCHORAGE AK 99508					
THIS ORDER CONSTITUTES A BINDING COMMITMENT BETWEEN THE STATE AND THE CONTRACTOR LISTED HEREON. UNAUTHORIZED MODIFICATION WITHOUT THE EXPRESSED PRIOR APPROVAL OF THE CONTRACTING AUTHORITY WILL RESULT IN A FINANCIAL OBLIGATION ON THE CONTRACTOR AND/OR UNAUTHORIZED STATE PERSONNEL MAKING THE CHANGE.					
<div>DESCRIPTION</div> <div> ONE YEAR CONTRACT FOR AIP DOZERS (WITH (2) TWO ONE YEAR RENEWAL OPTIONS) </div> <div> CONTRACTING OFFICER KRISTI FUTREL PHONE: (907) 269-0793 FAX: (907) 269-0801 </div> <div> <u>TABLE OF CONTENTS</u> </div> <div> SECTION </div> <div> I. SPECIAL TERMS & CONDITIONS </div> <div> II. STANDARD TERMS & CONDITIONS </div> <div> III. SPECIFICATIONS </div> <div> IV. PRICE SCHEDULE </div>					
CONTRACTING AUTHORITY NAME & TITLE KRISTI FUTREL, CONTRACTING OFFICER III			SIGNATURE		
CONTRACTOR AUTHORITY NAME & TITLE			SIGNATURE		
<div>IMPORTANT</div> <div> 1. Contract award number and ordering department name must appear on all invoices and documents relating to this order. 2. The State is registered for tax free transactions under Chapter 32, IRS Code Registration No. 92-601185. Items are for the exclusive use of the State and not for resale. </div>					

SECTION I AIP SPECIAL TERMS AND CONDITIONS

1.0 CONTRACT INTENT:

- 1.1 Intent: ONE (1) YEAR CONTRACT WITH TWO (1) ONE YEAR EXTENTIONS for Purchase of Airport Improvement Project (AIP) DOZERS for Alaska Rural Airports.
- 1.2 Quantities: Contingent on approval of FAA grants. Anticipate 5 units within the first year on the contract and an additional 2 units per year thereafter.
 - 1.2.1 Funding is appropriated through the Federal Aviation Administration.
- 1.3 Location of Use: Statewide Rural Airports
- 1.4 Dealer warranty locations, at a minimum: ANCHORAGE.
- 1.5 In addition to the State of Alaska requirements, the Municipality of Anchorage and other Alaska political subdivisions may cooperatively purchase from the resulting contract.
 - 1.5.1 At no time may the contractor change the terms and conditions, alter the price to another entity, which differs from the contractual price, nor charge undisclosed administrative fees to allow cooperative purchasing.

2.0 DELIVERY:

- 2.1 **Pre-delivery service**: Prior to delivery, each vehicle, piece of equipment or attachment shall be serviced and inspected by the dealer or his agent. A certification of this inspection must include the following (as applicable to the type of equipment):
 - 2.1.1 Dealer and vehicle identification.
 - 2.1.2 Check-off of service and inspection performed including a list of all fluids including type weight and specification that are in the equipment as delivered for all fluid compartments.
 - 2.1.3 The vehicle's crankcase, differential and transmission, and other fluid compartments shall be filled to the manufacturer's recommended capacity.
 - 2.1.4 Fuel tank shall be filled to at least register a minimum ¼ full on the fuel gauge, unless restricted by the commercial carrier, when the vehicle arrives at the delivery location.
 - 2.1.5 The vehicle shall be clean and free from defects when delivered and should be ready for immediate and continued use upon delivery.
 - 2.1.6 Units delivered in an incomplete state, or which have deficiencies per the specification, are subject to the damage charges as noted in paragraph 4.0 below.
- 2.2 **Delivery Receipt**:
 - 2.2.1 A delivery receipt will be required. The receipt must be filled out by the vendor, and acknowledged by state receiving personnel by signature and date of actual receipt of equipment. One copy of this delivery receipt is to be given to the state-receiving agency. The original shall accompany the vendor's invoice to support and properly identify the vehicle delivered.
 - 2.2.2 Vendors are cautioned and advised that such delivery forms or other receiving type documents will not in any way be construed to mean the state has formally and fully accepted unit(s) referenced thereon as complete and meeting every specification set forth. Only the Contracting Officer or designee may sign warranty documentation.

3.0 LINE SHEETS/BILL OF MATERIALS:

- 3.1 It is required within 30 days after delivery that the successful bidder provide a comprehensive listing of all components used to assemble the unit.
- 3.2 This includes any components installed by the manufacturer or any subcontractor or the successful bidder.
- 3.3 Information will include at a minimum, when available, make, model serial number on items such as engines, transmissions, axles, tires, bodies, etc. The listings will be specific to each piece of equipment and will be provided on an individual CD for each unit delivered.

- 3.4 A minimum of two (2) CD's per unit are to be provided and marked with the make, model, and last main numbers of the units serial number or State PO number.

4.0 F.O.B. POINT:

- 4.1 The F.O.B. point is as listed in Section IV, Bid Price Schedule. Ownership of and title will remain with the contractor until delivery is complete to final destination and accepted by the State.
- 4.2 The cost of shipping and delivery for orders beyond the limits of Seattle/Tacoma dock will be handled as follows. The contractor will prepay the shipping and delivery charges to any destination named by the State in its order. The contractor will charge-back those shipping and delivery charges to the State as a separate line item on the State's invoice.
- 4.3 All shipping charges over \$100 must be documented by a copy of the actual shipping invoice and received with the invoice charge to the State.

5.0 DAMAGES FOR LATE DELIVERY AND NON-CONFORMING GOODS:

- 5.1 Time is of the essence in this contract. The bidder is expected to deliver goods that conform in all material respects to the contract specifications on or before the date provided therein, as may be amended by written agreement of the parties.
- 5.2 In the event that the equipment is delivered late or does not conform to the contract specifications, the State shall be entitled to offset against the Contract Price, as liquidated damages and not as a penalty, an amount equal to the cost of renting like equipment, multiplied by the number of calendar days elapsing between the delivery date provided in the bid schedule and the delivery date to the State. In the case of a unit of this class, that daily rental fee is determined to be **\$935.00**. The number of days for which liquidated damages shall apply shall include, in the case of non-conforming goods, the time reasonably necessary for the State to perform inspection.
- 5.3 These liquidated damages represent a reasonable estimate of amounts necessary to compensate the State for loss of use of the goods during the period in which the goods would have been available to the State if conforming goods had been timely delivered.

6.0 WARRANTY:

- 6.1 **Standard Warranty Package:** Unless otherwise stipulated by this ITB, the successful bidder will provide a three year (36-month) two-part warranty.
- 6.1.1 **PART ONE:**
- 6.1.1.1 Full (100%) Parts and Labor Warranty Coverage components for the first 12-months (one-year), at the assigned location, from the date the unit is placed in service.
- 6.1.1.2 Corrosion Warranty: Twelve (12) year warranty for corrosion inside the cab leading to premature wear of the cab floor. The State is responsible to take every precaution to insure that the units are properly cleaned and chemicals removed during preventative maintenance.
- 6.1.1.3 Full (100%) Warranty Coverage includes all cost of labor, parts, freight, transportation, per diem, travel, lubricants, miscellaneous cost, etc., to place the unit in like-new condition.
- 6.1.2 **PART TWO:**
- 6.1.2.1 Additional Warranty Coverage for the succeeding 24-months (year's two and three) to be 100% parts only (or component exchange) for all major power and drive train components, including freight, to place the unit back into good operating condition, from the date the unit is placed in service.
- 6.1.2.2 Major power and drive train components include the engine, transmission, torque converter, differential(s), planetary drives, main hydraulic pump, and any other major components recognized in the equipment industry as belonging to the power or drive train.
- 6.1.3 Should the manufacturer's standard warranty exceed the minimum State warranty requirements, the manufacturer's warranty will run in conjunction with and enhance the state's warranty, then continue for the remainder of its term.

- 6.1.4 If the state receives from any manufacturer or supplier additional or extended warranty on the whole or any component of the unit, in the form of time and/or mileage, including any pro rata arrangements, or the manufacturer generally extends to fleet customers a greater or extended warranty coverage, the state shall receive corresponding warranty benefits.
- 6.1.5 For clarification, warranty does not apply to normal wear and tear or maintenance items, accident damages, misuse of equipment or failure to operate or maintain equipment as prescribed by vendor/manufacturer.
- 6.2 **Warranty on Attachments:** Same as Standard Warranty Package.
- 6.3 **In-Service Date:** Warranty on vehicles not placed in service immediately upon receipt because of time lag to construct body components and/or installation of special equipment, or due to seasonal usage or other delay, shall be warranted from the date the vehicle is placed in service. The receiving agency shall notify the vendor/manufacturer in writing of the actual "in service" date. Notification of the requirement for delayed warranty will be provided on delivery orders whenever possible.
- 6.4 **Warranty Claims:**
- 6.4.1 Warranty will be provided at the unit's assigned (in-service). Because of the remote location of some equipment it is not always practical to deliver equipment to authorized warranty repair facilities. In these cases, the vendor may perform warranty work at the state's location or, the State of Alaska, at its discretion, reserves the right to perform the warranty work and be reimbursed by the vendor. If travel is required by State personnel to perform the work, actual costs will be used for reimbursement.
- 6.4.2 The State of Alaska has established a warranty procedure whereby the vendor is to be notified via letter, telex, fax, telegram, etc. that warranty work needs to be performed. If time is of the essence, a telephone call confirmed by one of the above written procedures may be utilized.
- 6.4.3 The vendor must notify the state within 24 hours of verbal or written notification that it will begin to perform the warranty work at the equipment location.
- 6.4.4 The State may, at its discretion, proceed to make warranty repairs with its own work force in the case of emergency situation or to preclude excessive downtime (greater than 24 hours). The State will require a Purchase Order (PO) to perform the warranty work.
- 6.4.5 Failure to notify the State that the vendor intends to begin to perform warranty work is considered a contractual breach.
- 6.4.6 The vendor will be invoiced for required warranty work performed by the state. Warranty work performed by the state will be charged at the current SEF shop labor rate at the time of the repair. Actual repair time will be used.
- 6.5 **Warranty Performed by Vendor:**
- 6.5.1 The State will reimburse travel costs not reimbursed by the manufacturer for travel to and from the bidder's closest warranty service center within the State of Alaska to the location of the equipment under warranty. Travel costs will be billed as follows:
- 6.5.1.1 Mileage Charge: mileage will only be reimbursed for travel within Alaska at the rate allowable by the IRS.
- 6.5.1.2 Meals are paid at actual cost and charges must be accompanied by receipts. Receipts are not to exceed the State authorized amount of \$60.00 per day.
- 6.5.1.3 Transportation, such as airfare, shall be reimbursed at actual cost and all charges are to be accompanied by a receipt/copy of the coach ticket.
- 6.5.1.4 Lodging shall be reimbursed at actual cost and shall not exceed \$150.00 per night unless no other lodging is available. Requests for reimbursement must be accompanied by a receipt.
- 6.5.2 Travel will only be reimbursed for time in Alaska.
- 6.5.3 After hours, weekend and holiday travel must be approved by the Contracting Officer to be considered for reimbursement. The State will not pay for weather delays.

6.6 **Authorized Warranty Dealer (Contractor) and Subcontractor:**

6.7 The use of a subcontractor does not exclude any provisions as listed in this ITB, as requirements to the contractor.

6.8 Contractor must have the capability of providing warranty servicing and repair work within the State of Alaska with a manufacturer authorized warranty repair facility.

6.9 Provide name and address for each Authorized Warranty Dealer for each location.

(*) NC Machinery- Anchorage 6450 Arctic Blvd. Anchorage, AK 99518 (907) 786-8500
NC Machinery-Fairbanks 730 Old Steese Hwy. Fairbanks, AK 99707 (907) 452-7251
NC Machinery- Juneau 8550 Airport Blvd. Juneau, AK 99801 (907) 789-0181
NC Machinery-Wasilla 2051 West Rupee Circle, Wasilla, AK 99654
NC Machinery-Dutch Harbor 1711 Airport Beach Road, Dutch Harbor, AK 99692 (907) 581-1367

6.10 The ultimate responsibility for warranty lies with the contractor (bidder).

6.11 **Factory Recall:** Nationwide factory recall or product update programs are the responsibility of the vendor and/or manufacturer. The State will attempt to bring affected equipment to an authorized repair facility. However, because of the remoteness of some equipment this is not always practicable or economical. In such cases, factory recall and modification work will be handled the same as warranty work. Factory recall notices sent to the state should, in addition to serial number, include model, year, and dealer from who purchased.

6.11.1 **Hazardous Material:** Due to concerns about liability resulting from hazardous materials being left at the work site on State of Alaska property, no vendors will be allowed to use the State rural airport facilities to perform warranty work unless they agree and sign a letter of intent stating that all waste products including oils, coolant and garbage will be removed from the work site. Vendors should note that in some village locations other suitable facilities might be available for rent from local residents or village authority.

7.0 REPAIR ORDERS AND DOCUMENTATION:

7.1 Any work performed by the contractor or approved subcontractor, whether warranty or any other work on a piece of equipment purchased under this ITB, will require a copy of the repair order, any invoices showing parts and commodities, including oils and types used.

8.0 PUBLICATIONS:

8.1 Paper publications are to be received by the State of Alaska no later than 10 days after receipt of the unit. Custom manuals may be delivered no later than 90 days after receipt of the unit. Delivery will not be considered complete until the publications for each unit have been received by the State of Alaska. Note: Publications, when required, will be ordered on the same Purchase Order as the unit itself.

8.1.1 All paper manuals are to be pre-assembled in factory binders prior to delivery.

8.2 **Service Manuals:**

8.2.1 Complete set(s) to include applicable information covering prime unit and attachments:

8.2.2 Body, chassis, and electrical

8.2.3 Engine, transmission, and differential(s) (service and rebuild)

8.2.4 Electrical and vacuum troubleshooting

8.2.5 Wiring diagrams

8.2.6 Service specifications

8.2.7 Engine/emission diagnosis

8.3 **Parts Manuals:**

8.3.1 Complete set(s) including all updates. If updates are not provided during the warranty period, the State may order them from the manufacturer and bill the contractor for the full cost, including shipping.

8.3.2 Parts manuals are to be customized by serial number.

8.4 **Operator's Manuals:** Complete set(s) to include prime unit and attachments.

8.5 **Quantities:** As per Section IV – Bid Price Schedule.

8.6 **Manuals:** To be delivered to, and receipt signed by person(s) as noted on the Purchase Order.

8.7 **Service Bulletins, Etc.:** The successful bidder must provide appropriate service bulletins, technical support bulletins, service letters, product support bulletins, and/or any other information type notifications that are sent out to the vendor or used by the manufacturer in the maintenance and report of the vehicle, equipment or attachments being provided. The intent of this clause is that the State of Alaska be provided notification of any and all changes or improvements that may affect the maintenance, reliability, longevity, and safety of our equipment. This information will be provided as soon as possible to person(s) as noted on the Purchase Order.

9.0 **STATEMENT OF ORIGIN:** The bidder/contractor will be required to furnish a Manufacturer's Statement of Origin for Automotive or Non-Automotive rolling stock for each unit. All such documents shall be forwarded to:

DOT&PF, HQ State Equipment Fleet
2200 E. 42nd Avenue Room #311
Anchorage, Alaska 99508

10.0 **WEIGHT VERIFICATION SLIPS:** If required in the Section IV - Bid Price Schedule, a weight scale ticket of the completed unit will be included with the Statement of Origin.

11.0 **INSPECTIONS:**

11.1 The State's inspection of all materials and equipment upon delivery is for the sole purpose of identification. Such inspection shall not be construed as final or as acceptance of the materials or equipment if materials or equipment do not conform to Contract requirements. If there are any apparent defects in the materials or equipment at the time of delivery, the State will promptly notify the Contractor thereof. Without limiting any other rights of the State, The State at its option, may require the Contractor to:

11.1.1 repair or replace at contractor's expense, any or all of the damaged goods,

11.1.2 refund the price of any or all of the damaged goods, or

11.1.3 accept the return of any or all of the damaged goods.

11.2 Costs of remedying all defects, indirect and consequential costs of correcting same, and/or removing or replacing any or all of the defective materials or equipment will be charged against the bidder.

12.0 **PRICE:**

12.1 **Price Guarantee:** The contractor is responsible to maintain prices under the contract firm for 180 days after bid opening. All price increases or decreases must remain firm for the following 180 days.

12.2 **NO RETROACTIVE PRICE INCREASES WILL BE ACCEPTED.**

12.3 Price adjustments, increases or decreases, for subsequent orders, may be made by providing the Contracting Officer satisfactory evidence that all of the following conditions exist:

12.3.1 The increase is a result of the increased cost at the manufacturer's level and not costs under the contractor's control, and that;

12.3.1.1 The increase will not produce a higher profit margin for the contractor than that on the original contract, and that;

12.3.1.2 The increase affects only the item(s) that are clearly identified by the contractor.

12.3.1.3 Satisfactory forms of the evidence of the above facts may include a certified invoice from the manufacturer, or an affidavit from an independent professional price-tracking firm that is recognized by the industry as reputable and knowledgeable. The contractor must be able to show the difference between the prior year's price and the current difference in the price being requested.

12.4 **Price Decreases:** During the period of the contract, the Contractor must pass on to the state all price decreases, such as fleet rebates. A Contractor's failure to adhere strictly and faithfully to this clause will be considered a material breach of contract. The state reserves the right to cancel the contract if the contractor fails to properly perform the duties set out herein.

13.0 MANUFACTURER'S REBATE (INCENTIVES): In any circumstance during or prior to completion of the contract, whereupon the State of Alaska becomes eligible to receive a rebate for any vehicle purchased under this contract, it shall be the BIDDER'S responsibility to inform the Contracting Officer in writing and to advise the procedures for obtaining such rebates.

14.0 REPLACEMENT PARTS:

- 14.1 The State of Alaska shall expect the dealer or manufacturer to provide replacement wear parts at their authorized warranty facilities for the entire warranty period within seven (7) days of order. All other parts must be available within ten (10) working days.
- 14.2 Back order procedures: Back orders are acceptable; however, the ordering shop shall be appraised at time of original orders as to the expected delay in delivery.
- 14.3 Warranty: All products supplied by the contractor shall be warranted against defects in materials and workmanship for a minimum of 90 days, commencing at the time of installation as long as the installation is within 12 months of purchase. The cost of any defective product and the labor required to replace the defective product shall be the obligation of the contractor.
 - 14.3.1 If the manufacturer's warranty exceeds the stated warranty then manufacturer's warranty supersedes.
 - 14.3.2 Parts Return: Within 12 months of purchase, the State is to be allowed to return new, parts with full refund, less shipping charges.
 - 14.3.3 Invoicing: Full description of item is required on all invoices, packing lists and billings.

15.0 EQUIPMENT RELIABILITY:

- 15.1 Reliability of equipment is of paramount importance to the State. It is the policy of SEF to require minimum levels of reliability from owned or leased equipment for it to be considered acceptable. Equipment offered for this bid must be capable of meeting the acceptable reliability standard stated below.
- 15.2 Acceptable Reliability: The State will monitor equipment reliability. Acceptable reliability for this contract is achieved when a machine achieves or maintains a Reliability Ratio (RR) equal to or exceeding the following:
 - 15.2.1 .90 (90 percent) PR during any consecutive 12-months (365 days) during the warranty period.
 - 15.2.2 .75 (75 percent) PR per operational month (recognizing operational as subject to weather and being defined by calendar days) during the consecutive 12-month period.
 - 15.2.3 PR below the state percentages do not meet minimum reliability requirements for state owned equipment.
- 15.3 **Machine Failure and Downtime:**
 - 15.3.1 **Machine Failure** is any and all loss of capability to perform fully, as specified, which is not attributed to **Conditioned Failure**. Machine Failure resulting in the unit being out of service is defined as **Downtime**.
 - 15.3.2 **Conditioned Failure** is any Machine Failure attributable to accident, operator abuse or other external cause not attributable to a defect in the machine itself.
 - 15.3.3 **Downtime** is the actual number of days or fractions of days that the equipment is in a state of Machine Failure. Downtime does not count time used for scheduled maintenance (including preventative maintenance and scheduled major overhauls), time lost for repair maintenance and scheduled major overhauls, time lost for repair of damage as a result of operator abuse or machine misapplication; or time lost as a result of accident or an act of God. Downtime includes:
 - 15.3.3.1 Actual shop hours (and/or field repair hours) required to return unit to full operational status following machine failure, including trouble-shooting, repair, necessary replacement of parts, and necessary adjustments, plus
 - 15.3.3.2 Time lost waiting for parts and/or vendor assistance. "Waiting downtime" also applies if need for parts/assistance is discovered during routine maintenance and return to service is deemed counterproductive. In this case, "waiting time" clock begins with notice of need to vendor. Allowance may be considered in "waiting time" calculations if arrival of parts/assistance is delayed by transportation shutdown, to include

verifiable transportation scheduling difficulties such as infrequent flights as long as all reasonable alternatives have been exhausted. Parts and assistance are to be provided by the quickest means reasonably possible to avoid unnecessary delays and downtime.

- 15.3.4 **Out of Service Report (OSR):** Downtime resulting from machine failure is the actual number of hours a machine is out of service as recorded on the OSR or in the Equipment Maintenance Management System (EMS).

15.3.4.1 The State will record all downtime on an OSR or EMS work order, which will be originated for each occurrence of downtime. The document will show the date and time a unit went down, the location where the machine was based, the reason the machine is down, date and time the vendor was notified (if applicable), the date and time the machine was returned to service, and the total hours of downtime.

15.3.4.1.1 The Contract Manager will finalize and approve the OSR or EMS work order. Both are available for contractor review.

- 15.3.5 **Reporting Downtime:** The Contracting Officer will maintain documentation of all Downtime, and shall send copies of such documentation to the contractor.

- 15.3.6 **Calculation of Reliability Ratio:** RR is the mathematical ration of operated time (uptime) to out of service time (downtime). The RR will be calculated according to the following formula:

$$\text{RR} = \frac{\text{Days in a Month} - \text{Days Out of Service}^*}{\text{Days in a Month}^{**}} = \frac{\text{DM} - \text{DO}}{\text{DM}}$$

Note * : Fractional Days apply, i.e., a unit is out of service 8 hours in a 24 hour period equals 1/3 or .33% of a day.

Note **: A day is allocated as 24 consecutive hours from 12:00 AM to 12:00 PM.

Example: 30 days DM with 2 days and 8 hours DT would result in:

$$\text{RR} = \frac{30 - 2.33}{30} = .92$$

- 15.3.7 **Unacceptable Reliability:** If an item of equipment fails to perform at an acceptable level of reliability during the warranty period, the Contracting Officer will notify the contractor and request immediate remedy. Failure to remedy the piece of equipment within 30 days for failure will result in a breach of contract and the immediate return of the equipment and reimbursement of the **Guaranteed Value** (V) of the unit:

Original Cost of the unit less (-) Freight = \$_____ (V)

Guaranteed Value (V) less (-) the **Cost of Operation** as listed in the Equipment Rental Rate Blue Book _____ or comparable equipment or the current Federal Fixed Usage Rate for the Class for the State of Alaska (a, b or c per hour) times (X) the number of hours used = _____(DV).

All Dozer Units = \$771.00 per hour.

- a. Example: Cost of a single unit, less freight = \$150,000. The hourly cost is \$150.00 per hour. The unit was used 150 hours prior to failing the acceptable reliability. The contractor guarantees the unit's worth at \$127,500.00.

- 15.3.8 Prior to return, the State will correct all reasonable cosmetic deficiencies (such as excessive rust) and those deficiencies that are directly related to damage due to accidents, misuse of equipment or failure to operate or maintain equipment as prescribed by the vendor/manufacturer, prior to public auction.

- 15.3.9 The tires will be serviceable with at least 50% remaining thread.

- 15.3.10 Oil samples, as per manufacturer's service manual recommendations, will be taken by State of Alaska maintenance personnel on the engine, transmission, differentials and hydraulics.

- 15.3.11 In the case of dispute, at the expense of the State, a qualified agent from Northern Adjusters, Inc. or another professionally recognized appraiser may be commissioned for an independent claim appraisal. Such appraisal shall be binding upon the State and the contractor.

16.0 PERFORMANCE BOND FOR WARRANTY & PERFORMANCE:

- 16.1 A Performance Bond is due within 30 days of the first purchase order.
 - 16.1.1 The State does not have backup equipment in many of its locations. Consequently, new-unit reliability and warranty performance is of vital importance. To insure the possible reliability and warranty service the State requires the contractor to post performance bond in one of the forms listed below. The purpose of the posted performance bond is to secure performance over the entire term of the contract. The performance bond must cover any remaining warranty in the event that the contractor is unable to or otherwise fails to complete the three-year warranty period. The amount of the performance bond will be **\$50,000.00**. Release of the performance security will be contingent solely upon the acceptable completion of the terms of the original contract.
 - 16.1.2 The Performance Bond must be posted in one year terms for the life of the contract by a surety company agreed to by the parties to this contract. Failure to post the successive bond, or to provide an alternative security as listed below, will be cause for breach of contract and immediate cancellation of any future orders.
 - 16.1.3 The Performance Bond must be written in a form satisfactory to the State by a company authorized to do surety business in Alaska. The performance bond must provide a statement that it is payable to the State of Alaska as security for the contractor's full and faithful performance of the contract.
- 16.2 **Alternate Security:** In lieu of a performance bond, a contractor may post security in the form of a certified or cashier's check, or a certificate of deposit, to be returned to the contractor provided that the contractor fully and faithfully performs the contract, including all warranty obligations.
 - 16.2.1 A certified or cashier's check, made payable to the State of Alaska.
 - 16.2.2 A Certificate of Deposit (CD) made payable to the State of Alaska. Inclusion of other verbiage on the "payee" or pay to" line will render the security unacceptable.

17.0 TRADE RESTRICTION CLAUSE (9 CFR Part 30.13FAA Order 5100.38):

- 17.1 The contractor or subcontractor, by submission of an offer and/or execution of a contract, certifies that it:
 - 17.1.1 is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
 - 17.1.2 has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on said list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on said list;
 - 17.1.3 has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on said list.
- 17.2 Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a contractor or subcontractor who is unable to certify to the above. If the contractor knowingly procures or subcontracts for the supply of any product or service of a foreign country on said list for use on the project, the Federal Aviation Administration may direct through the Sponsor cancellation of the contract at no cost to the Government.
- 17.3 Further, the contractor agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. The contractor may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.
- 17.4 The contractor shall provide immediate written notice to the sponsor if the contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor agrees to provide written notice to the contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.
- 17.5 This certification is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through the Sponsor cancellation of the contract or subcontract for default at no cost to the Government.
- 17.6 Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of

a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

- 17.7 This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

18.0 CIVIL RIGHTS ACT OF 1964, TITLE VI – CONTRACTOR CONTRACTUAL REQUIREMENTS (49 CFR Part 21 AC 150/5100-15)

- 18.1 During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:
- 18.1.1 **Compliance with Regulations.** The contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
 - 18.1.2 **Nondiscrimination.** The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
 - 18.1.3 **Solicitations for Subcontracts, Including Procurements of Materials and Equipment.** In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
 - 18.1.4 **Information and Reports.** The contractor shall provide all information and reports required by the regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the sponsor or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.
 - 18.1.5 **Sanctions for Noncompliance.** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:
 - 18.1.5.1 Withholding of payments to the contractor under the contract until the contractor complies, and/or
 - 18.1.5.2 Cancellation, termination, or suspension of the contract, in whole or in part.
 - 18.1.6 **Incorporation of Provisions.** The contractor shall include the provisions of paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

19.0 AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1982, SECTION 520 - GENERAL CIVIL RIGHTS PROVISIONS (Airport and Airway Improvement Act of 1982, Section 520, Title 49 47123, AC 150/5100-15, Para. 10.c):

- 19.1 The contractor assures that it will comply with pertinent statutes, Executive orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age,

or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the tenant/concessionaire/lessee or its transferee for the period during which Federal assistance is extended to the airport a program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases the provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this provision binds the contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

20.0 DISADVANTAGED BUSINESS ENTERPRISES (49 CFR Part 26):

- 20.1 **Contract Assurance (§26.13):** The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate.
- 20.2 **Prompt Payment (§26.29):** The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than **30** days from the receipt of each payment the prime contractor receives from the **State of Alaska**. The prime contractor agrees further to return retainage payments to each subcontractor within [specify the same number as above] days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the **Contracting Officer**. This clause applies to both DBE and non-DBE subcontractors.

21.0 LOBBYING AND INFLUENCING FEDERAL EMPLOYEES (49 CFR Part 20, Appendix A):

- 21.1 No Federal appropriated funds shall be paid, by or on behalf of the contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant and the amendment or modification of any Federal grant.
- 21.2 If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal grant, the contractor shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.

22.0 ACCESS TO RECORDS AND REPORTS (49 CFR Part 18.36(i), FAA Order 5100.38):

- 22.1 The Contractor shall maintain an acceptable cost accounting system. The Contractor agrees to provide the Sponsor, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representative's access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

23.0 ENERGY CONSERVATION REQUIREMENTS (49 CFR Part 18.36 & Public Law 94-163):

- 23.1 The contractor agrees to comply with mandatory standards and policies relating to energy efficiency that are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

24.0 BREACH OF CONTRACT TERMS (49 CFR Part 18.36):

- 24.1 Any violation or breach of terms of this contract on the part of the contractor or their subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement. The duties and obligations imposed by the Contract Documents and the rights and remedies available there under shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

25.0 RIGHTS TO INVENTIONS (49 CFR Part 18.36(i)(8) & FAA Order 5100.38):

- 25.1 All rights to inventions and materials generated under this contract are subject to regulations issued by the FAA and the Sponsor of the Federal grant under which this contract is executed.

26.0 TERMINATION OF CONTRACT (49 CFR Part 18.36(i)(2) & FAA Order 5100.38):

- 26.1 The Sponsor may, by written notice, terminate this contract in whole or in part at any time, either for the Sponsor's convenience or because of failure to fulfill the contract obligations. Upon receipt of such notice services shall be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this contract, whether completed or in progress, delivered to the Sponsor.
- 26.2 If the termination is for the convenience of the Sponsor, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.
- 26.3 If the termination is due to failure to fulfill the contractor's obligations, the Sponsor may take over the work and prosecute the same to completion by contract or otherwise. In such case, the contractor shall be liable to the Sponsor for any additional cost occasioned to the Sponsor thereby.
- 26.4 If, after notice of termination for failure to fulfill contract obligations, it is determined that the contractor had not so failed, the termination shall be deemed to have been effected for the convenience of the Sponsor. In such event, adjustment in the contract price shall be made as provided in paragraph 2 of this clause.
- 26.5 The rights and remedies of the sponsor provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

27.0 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION (49 CFR Part 29 & FAA Order 5100.38):

- 27.1 The bidder/offeror certifies, by submission of this proposal or acceptance of this contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this proposal that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the bidder/offeror/contractor or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this solicitation/proposal.

28.0 CLEAN AIR AND WATER POLLUTION CONTROL (49 CFR Part 18.36(i)(12) & Section 306 of the Clean Air Act & Section 508 of the Clean Water Act):

- 28.1 Contractors and subcontractors agree:
- 28.1.1 That any facility to be used in the performance of the contract or subcontract or to benefit from the contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities;
- 28.1.2 To comply with all the requirements of Section 114 of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq. and Section 308 of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 and Section 308 of the Acts, respectively, and all other regulations and guidelines issued there under;
- 28.1.3 That, as a condition for the award of this contract, the contractor or subcontractor will notify the awarding official of the receipt of any communication from the EPA indicating that a facility to be used for the performance of or benefit from the contract is under consideration to be listed on the EPA List of Violating Facilities;
- 28.1.4 To include or cause to be included in any construction contract or subcontract which exceeds \$100,000 the aforementioned criteria and requirements.

29.0 BUY AMERICAN PREFERENCES (Section 9129 of the Aviation Safety and Capacity Expansion Act of 1990 & Title 49 U.S.C. Chapter 501, AIP Program Guidance Letter 91-3):

- 29.1 The Aviation Safety and Capacity Expansion Act of 1990 provides that preference be given to steel and manufactured products produced in the United States when funds are expended pursuant to a grant issued under the Airport Improvement Program. The following terms apply:
- 29.1.1 Steel and manufactured products. As used in this clause, steel and manufactured products include (1) steel produced in the United States or (2) a manufactured product produced in the United States, if the cost of its components mined, produced or manufactured in the United States exceeds 60 percent of the cost of all its components and final assembly has taken place in

the United States. Components of foreign origin of the same class or kind as the products referred to in subparagraphs b. (1) or (2) shall be treated as domestic.

- 29.1.2 Components. As used in this clause, components mean those articles, materials, and supplies incorporated directly into steel and manufactured products.
- 29.1.3 Cost of Components. This means the costs for production of the components, exclusive of final assembly labor costs.
- 29.2 (*) **The successful bidder will be required to certify in writing:**
 - 29.2.1 All products are wholly produced in the US of US materials, or;
 - 29.2.2 Provide an approved waiver from the FAA for non-US produced products, or
 - 29.2.3 Certify that the equipment being offered is on the Nationwide Buy America conformance list.
- 29.3 (*) **If the bidder cannot produce one of the above, then the following must be provided for FAA approval prior to purchase:**
 - 29.3.1 A statement providing detailed information regarding the following:
 - 29.3.2 Manufacturer and country of origin of the equipment bid.
 - 29.3.3 The location of the final assembly of the equipment (final assembly is the substantial transformation of the various components and subcomponents into the equipment)
 - 29.3.4 The cost of the US components and subcomponents for the equipment.
 - 29.3.5 The cost of the non-US components and sub-components for the equipment.
 - 29.3.6 The resulting percent of US and non-US components.
- 29.4 For further guidance on the Buy America requirements please refer to Program Guidance Letter 10-02 at the web site:
http://www.faa.gov/airports/aip/guidance_letters/media/PGL_10_02.pdf

AIP STANDARD TERMS AND CONDITIONS

- 1.0 ADDITIONS OR DELETIONS:** The State reserves the right to add or delete items, agencies or locations as determined to be in the best interest of the State. Added items, agencies or locations will be related to those on contract and will not represent a significant increase or decrease in size or scope of the contract. Such additions or deletions will be documented via mutual agreement, will be at prices consistent with the original bid price margins, and will be evidenced by issuance of a written contract change notice from the Contracting officer.
- 2.0 ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES:** At the time the bids are opened, all bidders must hold a valid Alaska business license and any necessary applicable professional licenses required by Alaska Statute. Bids must be submitted under the name as appearing on the person's current Alaska business license in order to be considered responsive. Bidders should contact the Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, P. O. Box 110806, Juneau, Alaska 99811-0806, for information on these licenses. Bidders must submit evidence of a valid Alaska business license with the bid.
- You are not required to hold a valid Alaska business license at the time bids are opened if you possess one of the following licenses and are offering services or supplies under that specific line of business:
 - fisheries business licenses issued by Alaska Department of Revenue or Alaska Department of Fish and Game,
 - liquor licenses issued by Alaska Department of Revenue for alcohol sales only,
 - insurance licenses issued by Alaska Department of Commerce, Community and Economic Development, Division of Insurance, or
 - Mining licenses issued by Alaska Department of Revenue
- 3.0 ALTERATIONS:** The contractor must obtain the written approval from the contracting officer prior to making any alterations to the specifications contained in this ITB. The State will not pay for alterations that are not approved in advance and in writing by the contracting officer.
- 4.0 AMENDMENTS:** Contract terms shall not be waived, altered, modified, supplemented or amended without prior written approval of the Contracting officer.
- 5.0 ASSIGNMENT(S):** Assignment of rights, duties, or payments under a contract resulting from this ITB is not permitted unless authorized in writing by the State of Alaska, Department of Administration, Division of General Services. Bids that are conditioned upon the State's approval of an assignment will be rejected as nonresponsive.
- 6.0 AUTHORITY:** This solicitation is written in accordance with Alaska statutes AS 36.30 and 2 AAC 12.
- 7.0 BILLING INSTRUCTIONS:** Invoices must be billed to the ordering agency's address shown on the individual Purchase Order, Contract Award or Delivery Order, not to the Division of General Services. The ordering agency will make payment after it receives the merchandise or service and the invoice. Questions concerning payment must be addressed to the ordering agency.
- 8.0 CERTIFICATION OF COMPLIANCE WITH AMERICAN'S WITH DISABILITIES ACT OF 1990:**
- 8.1 By signature of their bid/proposal the bidder/proposer certifies that they comply with the American's with Disabilities Act of 1990 and the regulations issued there under by the federal government.
- 8.2 Services or activities furnished to the general public on behalf of the State must be fully accessible. This is intended to ensure that agencies are in accordance with 28 CFR Part 35 Section 35.130 and that services, programs or activities furnished to the public through a contract do not subject qualified individuals with a disability to discrimination based on the disability.
- 9.0 COMPLIANCE WITH ALL GOVERNMENT REGULATIONS:** The bidder must comply with all applicable federal, state, and borough regulations, codes, and laws, and pay all applicable federal, state, and borough taxes, and is liable for all required insurance, licenses, permits, and bonds. Failure to comply with such requirements shall constitute a breach of contract and shall be grounds for contract cancellation. Damages or costs resulting from noncompliance shall be the sole responsibility of the bidder.
- 10.0 CONFLICT OF INTEREST:** An officer or employee of the State of Alaska may not seek to acquire, be a party to, or possess a financial interest in, this contract if (1) the officer or employee is an employee of the administrative unit that supervises the award of this contract; or (2) the officer or employee has the power to take or withhold official action so as to affect the award or execution of the contract.

- 11.0 CONSUMER ELECTRICAL PRODUCT:** AS 45.45.910 requires that "...a person may not sell, offer to sell, or otherwise transfer in the course of the person's business a consumer electrical product that is manufactured after August 14, 1990, unless the product is clearly marked as being listed by an approved third party certification program." Electrical consumer products manufactured before August 14, 1990, must either be clearly marked as being third party certified or be marked with a warning label that complies with AS 45.45.910(e). Even exempted electrical products must be marked with the warning label. By signature on this bid the bidder certifies that the product offered is in compliance with the law. A list of approved third party certifiers, warning labels and additional information is available from: Department of Labor and Workforce Development, Labor Standards & Safety Division, Mechanical Inspection Section, P.O. Box 107020, Anchorage, Alaska 99510-7020, (907)269-4925.
- 12.0 CONTINUING OBLIGATION OF CONTRACTOR:** Notwithstanding the expiration date of a contract resulting from this ITB, the contractor is obligated to fulfill its responsibilities until warranty, guarantee, maintenance and parts availability requirements have completely expired.
- 13.0 CONTRACT ADMINISTRATION:** The administration of this contract, including any/all changes, is the responsibility of the Contracting Officer, HQ State Equipment Fleet.
- 14.0 CONTRACT EXTENSION:** Unless otherwise provided in this ITB, the State and the successful bidder/contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least thirty (30) days before the desired date of cancellation.
- 15.0 CONTRACT FUNDING:** Bidders are advised that funds are available for the initial purchase and/or the first term of the contract. Payment and performance obligations for succeeding purchases and/or additional terms of the contract are subject to the availability and appropriation of funds.
- 16.0 DEFAULT:** In case of bidder default, the State may procure the goods or services from another source and hold the bidder responsible for any resulting excess costs and may seek other remedies under law or equity. Alaska Statutes and Regulations provide for suspension and disbarment of non-responsible bidders.
- 17.0 DELIVERY:** All deliveries shall be F.O.B. final destination point with all transportation and handling charges paid by bidder. Responsibility and liability for loss or damage shall remain with bidder until final inspection and acceptance when responsibility shall pass to the State except as to latent defects, fraud and bidder's warranty obligations.
- 18.0 DISCONTINUED ITEMS:** In the event an item is discontinued by the manufacturer during the life of the contract, another item may be substituted, provided that the contracting officer makes a written determination that it is equal or better than the discontinued item and provided that it is sold at the same price or less than the discontinued item.
- 19.0 DISPUTES:** Any dispute arising out of this agreement shall be resolved under the laws of Alaska. Any appeal of an administrative order or any original action to enforce any provision of this agreement or to obtain any relief from or remedy in connection with this agreement may be brought only in the superior court for the State of Alaska.
- 20.0 FORCE MAJEURE (Impossibility to perform):** Neither party to this contract shall be held responsible for delay or default caused by acts of God and/or war, which is beyond that party's reasonable control. The State may terminate this contract upon written notice after determining such delay or default will reasonably prevent successful performance of the contract.
- 21.0 HUMAN TRAFFICKING:**
- 21.1 By signature on this contract, the offeror certifies that:
- 21.1.1 the offeror is not established and headquartered or incorporated and headquartered, in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report; or
- 21.2 The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: www.state.gov/g/tip/
- 21.3 Failure to comply with this requirement will cause the state to reject the bid or proposal as non-responsive, or cancel the contract.
- 21.4 This pertains to goods and services above \$50,000.00.
- 22.0 INDEMNIFICATION:** The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent

negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

23.0 INSPECTIONS: Goods furnished under this contract are subject to inspection and test by the State at times and places determined by the State. If the State finds goods furnished to be incomplete or not in compliance with bid specifications, the State may reject the goods and require bidder to either correct them without charge or deliver them at a reduced price, which is equitable under the circumstances. If bidder is unable or refuses to correct such goods within a time deemed reasonable by the State, the State may cancel the order in whole or in part. Nothing in this paragraph shall adversely affect the State's rights as buyer, including all remedies and rights granted by Alaska statutes.

24.0 INSURANCE:

24.1 Without limiting Contractor's indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

24.2 Proof of insurance is required for the following:

24.2.1 Workers' Compensation Insurance: The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

24.2.2 Commercial General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

24.2.3 Commercial Automobile Liability Insurance: covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

24.3 Failure to supply satisfactory proof of insurance within the time required will cause the State to declare the bidder nonresponsive and to reject the bid.

25.0 ITEM UPGRADES: The State reserves the right to accept upgrades to models on the basic contract when the upgrades improve the way the equipment operates or improve the accuracy of the equipment. Such upgraded items must be at the same price as the items in the basic contract.

26.0 NEW EQUIPMENT: Equipment offered in response to this ITB must be new equipment. New equipment means equipment that is currently in production by the manufacturer and is still the latest model, edition or version generally offered. The equipment must be warranted as new by the manufacturer and may not have been used for any purpose, other than display (not demonstration), prior to its sale to the State. The State will not accept remanufactured, used or reconditioned equipment, including used or reconditioned components or parts of. It is the contractor's responsibility to ensure that each piece of equipment delivered to the State complies with this requirement. A contract's failure to comply with this requirement will cause the State to seek remedies under breach of contract.

27.0 ORDER DOCUMENTS: Except as specifically allowed under this ITB, an ordering agency will not sign any vendor contract. The State is not bound by a vendor contract signed by a person who is not specifically authorized to sign for the State under this ITB. The State of Alaska Purchase Order, Contract Award and Delivery Order are the only order documents that may be used to place orders against the contract(s) resulting from this ITB.

- 28.0 PAYMENT:** Payment for agreements under \$500,000 for the undisputed purchase of goods or services provided to a State agency will be made within 30 days of the receipt of a proper billing or the delivery of the goods or services to the location(s) specified in the agreement, whichever is later. A late payment is subject to 1.5% interest per month on the unpaid balance. Interest will not be paid if there is a dispute or if there is an agreement, which establishes a lower interest rate or precludes the charging of interest.
- 29.0 PROPRIETARY INFORMATION AND STATEMENTS OF CONFIDENTIALITY:**
- 29.1 Except as set forth in this provision, all information in all bids will be made public under AS 36.30.530 not later than the time of issuance of a notice of intent to award.
- 29.2 If the offeror submits information considered by it to constitute a trade secret or proprietary data, such information may be expressly designated as such, and must be accompanied by the offeror's certification that (1) the information has consistently been maintained by its owner as a trade secret or as proprietary information, (2) the owner of the information has taken due care to protect it from release to non-privileged persons, and (3) to the best knowledge of the offeror, the information has not lost its status as trade secret or proprietary information, whether by lack of diligent protection, release to any non-privileged person or otherwise.
- 29.3 **Absence of such certification, any claim of confidentiality will be ignored, and the bidder may not hold any reasonable expectation of confidentiality.**
- 29.4 Any information so certified will be held confidential so long as the contracting officer concurs that it constitutes a trade secret or proprietary data, and deems it not critical to determination of the price, quantity, or delivery terms bid, or the responsiveness of the bid.
- 29.5 By submission of a bid, the offeror consents to the contracting officer's exercise of reasonable judgment as to concurrence with any assertion of confidentiality, and waives any and all claims for release of information that the contracting officer reasonably deems not confidential notwithstanding a certified assertion of confidentiality.
- 29.6 A certified assertion of confidentiality in which the contracting officer concurs, with respect to information the contracting officer deems critical to determination of the price, quantity, or delivery terms bid, or the responsiveness of the bid, will cause the bid to be rejected as a non-responsive bid.
- 30.0 QUANTITIES:** The State reserves the right to reduce or increase the quantity of items ordered under any contract resulting from this Invitation to Bid.
- 31.0 SEVERABILITY:** If any provision of the contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.
- 32.0 SHIPPING DAMAGE:** The State will not accept or pay for damaged goods. The contractor must file all claims against the carrier(s) for damages incurred to items in transit from the point of origin to the ultimate destination. The State will provide the contractor with written notice when damaged goods are received.
- 33.0 STANDARD AND SPECIAL TERMS AND CONDITIONS:** The terms and conditions of this section are standard to State of Alaska, Department of Transportation and Public Facilities, Statewide Equipment Fleet contracts for the purchase of goods. There may also be other special terms and conditions in an Invitation to Bid or Request for Proposal which apply only to this contract. In the event of a conflict between the standard and special terms and conditions, the Special Terms and Conditions take precedence.
- 34.0 SUCCESSORS IN INTEREST:** This contract shall be binding upon successors and assigns.
- 35.0 SUITABLE MATERIALS:** All materials, supplies or equipment offered by a bidder shall be new, unused, of recent manufacture, and suitable for the manufacturer's intended purpose unless the specifications allow for used, rebuilt or remanufactured equipment.
- 36.0 TAXES:** Prices quoted in bids must be exclusive of federal, state, and local taxes. If the bidder believes that certain taxes are payable by the State, the bidder may list such taxes separately, directly below the bid price for the affected item. The State is exempt from Federal Excise Tax because articles purchased are for the exclusive use of the State of Alaska.
- 37.0 WARRANTY:** Unless otherwise stated, all equipment shall be new and current model and shall carry full factory warranties. Bidder warrants all goods delivered to be free from defects in labor, material and manufacture and to be in compliance with bid specifications. All implied or expressed warranty provisions of the Uniform Commercial Code apply. All warranties shall be for and benefit the State.

SECTION III – SPECIFICATIONS

SPECIFICATION #376-185HP-AIP
Crawler Dozer with Semi “U” Dozer Blade and Ripper
Minimum 44,000 Pounds
October 04, 2004

GENERAL SPECIFICATION:

It is the purpose of this specification to describe a new, and of the manufacturer's latest current model and design, minimum of 44,000 pounds operating weight crawler dozer with enclosed ROPS, Six (6) way dozer blade, multi-shank parallelogram ripper having a minimum operating weight of 44,000 pounds (as described herein).

To include all standard equipment and accessories as advertised in manufacturer's specification sheet of model offered, unless otherwise specified herein.

Unit must meet Buy America requirements as per Section I – Special Terms and conditions.

APPLICATION:

General dozer application including snow removal. Unit will be subject to varying terrain and weather conditions to minus 60 degrees Fahrenheit.

DOCUMENTATION REQUIRED:

One (1) copy of the manufacturer's product brochure is to be provided with the bid package.

TYPICAL UNITS:

CATERPILLAR Model D6T Series II, *JOHN DEERE* Model 850K, and *KOMATSU* Model D65EX-17. Provided all of the following minimum specifications are met.

1.0 POWER TRAIN:

1.1 Engine:

- 1.1.1 Diesel: Four (4) cycle, water-cooled, developing 205 SAE net HP, minimum.
- 1.1.2 Displacement: 415 cubic inches (6.8 liter), minimum.
- 1.1.3 To be Tier IV Compliant.

1.2 Starting Aids:

- 1.2.1 Engine block heater, immersion type, 110 volt AC, of highest wattage as provided by OEM engine manufacturer.
- 1.2.2 To include fully automatic, glow plugs, or intake air grid type heater.
- 1.2.3 Engine oil pan heater, 120 volt AC, 300 watt, silicone pad type, bonded to oil pan. To be *BESCO*, or *KAT'S*, or *WATLO*.
- 1.2.4 Transmission oil pan heater, 120 volt AC, 300 watt, silicone pad type, bonded to oil pan. To be *BESCO*, or *KAT'S*, or *WATLO*.
- 1.2.5 110-volt AC power cords for engine and battery heaters to be plugged into waterproof, 110 volt AC, junction box equipped with four (4) each 15-amp receptacles. Electrical cord, 20-amp, Male plug portion of 20 amp cord(s) to run out to the rear of the unit for easy access by ground personnel. Cords being plugged into the junction box are to be labeled as to what they are for, such as; “Engine Block Heater”, “Transmission Oil Heater”, “Engine Oil Heater”, and “Battery Charger”.
 - 1.2.5.1 The location of the cord(s) outlet box (es) is/are to be in a weather protected area in the engine compartment.
 - 1.2.5.2 All wiring to be adequately secured and protected in a loom or similar protection.

1.3 Air Cleaner:

- 1.3.1 Dry element type, single or dual, heavy-duty.

- 1.3.2 Pre-cleaner to be *CENTRI*, *SURECO TURBO II*, or *CATERPILLAR* air induction system. *CATERPILLAR* dust ejector is acceptable.
- 1.3.3 To include dash mounted air filter restriction indicator.
- 1.4 Exhaust System: To include muffler with vertical exhaust extending above cab and including a curved tip. Muffler(s) must not restrict operator's vision.
- 1.5 Cooling System:
 - 1.5.1 Anti-freeze: Permanent type, affording protection to minus 60 degrees Fahrenheit.
- 1.6 Oil filtration to be spin-on type.

2.0 DRIVE TRAIN:

- 2.1 Transmission:
 - 2.1.1 Power shift or hydrostatic, forward and reverse.
- 2.2 Steering System: To provide full power to both tracks while dozing in a turn. The *CATERPILLAR*, *JOHN-DEERE* and *KOMATSU* systems are acceptable.

3.0 UNDERCARRIAGE:

- 3.1 Idlers and Rollers: All to be sealed type.
- 3.2 Rock Guards: To include OEM standard, full length is not required.
- 3.3 Track Adjusters: To be hydraulically adjustable type (not gas actuated).
- 3.4 Track:
 - 3.4.1 Gauge to be 74 inches minimum.
 - 3.4.2 Track on ground to be 102 inches minimum.
 - 3.4.3 Shoes to be moderate service, heavy duty, open center, single grousers, 30 inch in width. The open center is to be factory OEM or drilled out (a gas torch to cut is not acceptable).
 - 3.4.4 To have sealed and lubricated track links (pins and bushings).
- 3.5 Tow Hook(s): Front mounted.
- 3.6 Belly pans/skid shields, for engine and transmission minimum, to be provided.

4.0 ELECTRICAL SYSTEM:

- 4.1 24-volt system.
- 4.2 To be a negative ground system.
- 4.3 Alternator: Minimum 90 amp.
- 4.4 Battery(s): Heavy-duty, minimum total of 1800 CCA at zero degrees Fahrenheit.
- 4.5 Master Switch:
 - 4.5.1 To include a single high-ampere master electrical switch, OEM or *COLE HERSEE* #284-02, to cut off power source from battery to the ground (ground side if possible, positive if not) and remainder of system.
 - 4.5.2 To be located where easily accessible and in a lockable compartment, but not ordinarily visible to persons unfamiliar with unit.
- 4.6 Horn: Electric.
- 4.7 Lighting System:
 - 4.7.1 Front headlights.
 - 4.7.2 Work Lights: Two (2) rear work lights, upper cab mounted, halogen or HID.
 - 4.7.3 Interior dome light.

- 4.7.4 Strobe Light:
 - 4.7.4.1 Two (2) each WHELEN LED L360 strobe lights, synchronized.
 - 4.7.4.2 Left lens to be amber in color.
 - 4.7.4.3 Right lens to be blue in color.
 - 4.7.4.4 To be shock mounted to top of cab or light bar with unrestricted vision from all directions. A rubber pad may be used for the shock mounting.
 - 4.7.4.5 Switch: Operator controlled with "High/Off/Low".
 - 4.7.4.6 24-volt systems require a 24-volt strobe light system.

5.0 CAB:

- 5.1 Enclosed Roll Over Protection System (EROPS).
 - 5.1.1 OEM, fully enclosed steel, insulated, sound suppressed, pressurized, "ROPS" (SAE J394 or latest version) cab with safety glass windshield and safety or tempered glass on sides and rear windows. To be adequately sealed as to not allow unreasonable cold air or dust into cab.
- 5.2 Recirculating personnel heater (minimum 30,000 BTU) with defroster. Defrosters to be zoned to area(s) of windshield wiper(s). Caged defroster fans are not acceptable in lieu of zoned system.
- 5.3 Window Wipers: Full front and rear package available. Wiper motors to be highest capacity available (OEM if available). To include OEM intermittent feature on front minimum.
- 5.4 Filtered air pressurizer.
- 5.5 Sun visor.
- 5.6 Operator's Seat: Suspension type (air or hydraulic), adjustable, cloth or cloth/vinyl covered, with seat belt.
- 5.7 Lockable doors.
- 5.8 Mirror(s): Interior mounted convex rear view, minimum.
- 5.9 To include combination accelerator/decelerator throttle control.

6.0 INSTRUMENTATION:

- 6.1 All gauges as noted below shall read in U.S. units of measure (not metric) at time of delivery.
- 6.2 Gauges and indicators to include the following as a minimum:
 - 6.2.1 Hour Meter: Running engine activated.
 - 6.2.2 Ammeter or voltmeter gauge or malfunction indicator.
 - 6.2.3 Engine Coolant:
 - 6.2.3.1 High temperature (to include audio and visual warning system).
 - 6.2.4 Engine oil pressure (to include audio and visual warning system).
 - 6.2.5 Transmission or torque converter oil temperature (to include audio and visual warning system).
 - 6.2.6 Fuel level gauge.

7.0 ATTACHMENTS:

- 7.1 Diverter valves are not acceptable.
- 7.2 Six Way Dozer Blade:
 - 7.2.1 OEM or *WELDCO BEALES*.
 - 7.2.2 To include hydraulic power up/down, tilt right/left, angle left/right.
 - 7.2.3 Minimum Blade Dimensions: 36 inches high and 132 inches wide (includes end bits). Dimensions do not follow curvature.
 - 7.2.4 To include hardened steel end bits and replaceable bolt-on cutting edge.
- 7.3 **Multi-Shank Ripper:**

- 7.3.1 Rear mounted with, cab operated, full hydraulic controls.
- 7.3.2 Parallelogram design.
- 7.3.3 Beam width of 84 inches, minimum.
- 7.3.4 Beam to include three (3) shank positions, minimum.
- 7.3.5 Ripper Shanks:
 - 7.3.5.1 To include three (3) each with replaceable teeth.
 - 7.3.5.2 To provide penetration of 19.7 inches, minimum.
 - 7.3.5.3 To be capable of providing a cutting width of 60 inches, minimum.
- 7.3.6 Weight: With three (3) each ripper shanks and teeth, 3,700 pounds minimum.

8.0 VHF RADIO: (OPTIONAL ITEM, Pricing is required – Refer to Section IV - Bid Price Schedule)

- 8.1 *ICOM Model IC-A110 (AM)* aeronautical band, complete with microphone, speaker, external transmit/receive antenna mounted on cab, and to include frequency(s) as listed on the State's Purchase Order.
- 8.2 Installation:
 - 8.2.1 To include noise canceling microphone, external speaker (for inside cab), and cab mounted external antenna.
 - 8.2.2 Speakers shall be mounted in cab so the operator can hear with engine running at full power.
 - 8.2.3 Main unit to be shock mounted.
 - 8.2.4 Installation to be performed by holder of a current FCC Radio Telephone license (copy of certification to be provided with delivery of unit).
- 8.3 Headset:
 - 8.3.1 Listen only headset, *PELTOR* Model 7050 or Model HTM7A-02.
 - 8.3.2 When requested, the VHF radio must be equipped with an easy accessed and labeled, headset jack. The speakers described above would still be required so that unit could be used with or without the listen only headset.

9.0 TRAINING (OPTIONAL – Pricing is required, refer to Section IV – Bid Price Schedule):

- 9.1 Total of 16 hours at both State Equipment Fleet Maintenance Facilities located in Anchorage, Fairbanks or Juneau.
 - 9.1.1 Bidder to provide a qualified factory trained instructor(s), within 30 days of acceptance by the State.
- 9.2 To include a minimum of eight (8) hours of operator training, including the following as a minimum applicable agenda:
 - 9.2.1 Operating procedures per operating manual.
 - 9.2.2 Break-in procedures.
 - 9.2.3 Equipment limitations.
 - 9.2.4 Operator maintenance.
 - 9.2.5 Before operations checks and lubrication.
 - 9.2.6 Safety.
 - 9.2.7 Cold weather operations.
 - 9.2.8 Jump starting.
 - 9.2.9 Welding on equipment.
 - 9.2.10 Towing or transporting equipment.
 - 9.2.11 Instruments and controls.

- 9.2.12 Gauge interpretation.
- 9.2.13 Equipment operation, Do's and Don'ts.
- 9.2.14 Attachment operation, Do's and Don'ts.
- 9.3 To include a minimum of eight (8) hours of mechanics (Journeyman level) training including the following theory, trouble shooting, and test procedures for, as a minimum applicable agenda:
 - 9.3.1 Electronics.
 - 9.3.2 Electrical.
 - 9.3.3 Hydraulics.
 - 9.3.4 Air system.
 - 9.3.5 Drive train.
 - 9.3.6 Engine and transmission electronics.

10.0 MISCELLANEOUS:

- 10.1 Tank Guards: For fuel and hydraulic, OEM option, to be provided.
- 10.2 Decelerator.
- 10.3 Hydraulic Hose: To be arctic grade (minus 40 degrees Fahrenheit, minimum).
- 10.4 Special Lubricants: If, for warranty purposes, manufacturer's specific lubricants are required, vendor is to provide these lubricants, or provide, at time of delivery, a cross reference chart between manufacturer's lubricants and any name brand and readily available equivalents.
- 10.5 Vandalism Protection:
 - 10.5.1 Shall include locks for batteries, fuel tank, hydraulic tank, engine lube oil filler, and radiator.
 - 10.5.2 Locking panels for compartments are acceptable.
 - 10.5.3 If padlocks are utilized, they shall be keyed alike (OEM, meaning that one key will fit all loaders of the same make).
 - 10.5.4 Three (3) sets of keys, minimum, to be provided.
- 10.6 Backup Alarm: Electronic, self-adjusting sound level, *ACORN PRODUCTS* Model 1D-112AA, or *PRECO* Preco-Matic Model 1040, or *STAR* Model Starmatic 63-000, or *TARGET-TECH* Reactor 210504, or *WARN* Model Reactor 2100504, located on the rear of the unit, per manufacturer's recommendations.
- 10.7 Paint: Manufacturer's standard yellow.
- 10.8 **Publications: (OPTIONAL - Pricing is required – Refer to Section IV - Bid Price Schedule)**
 - 10.8.1 To include parts, service, and operator's manuals, per Section III- Special Terms and Conditions.
- 10.9 Delivery Reminder: The State does not take delivery until the unit is complete, meeting all required specifications, and is assembled (by the bidder or the bidder's subcontractor).
 - 10.9.1 **FINAL ACCEPTANCE REMINDER:** Final acceptance is at final destination; however, all major tests will be conducted at the contractor's place of business unless the State has reason to believe alterations or damages have taken place which may have changed the performance or design characteristics of the unit since the time of inspection at the contractor's location.
 - 10.9.1.1 A final inspection of the unit will be conducted at FOB point to assure that the unit still meets specifications.

END OF SPECIFICATION #376-185HP-AIP

SECTION IV - BID PRICE SCHEDULE

LOT #1

Item #	Unit	Description	Total \$ Amount
1a	ea.	44,000 lb. Dozer Per specification 376	\$287,642.00
		Year / Make / Model <u>2012 Caterpillar D6T</u>	
1b	ea	VHF Radio (Per specification 8.0).....	\$3,295.00
1c	ea	Training in Anchorage (Per specification 9.0)	\$2,000.00
1d	ea	Training in Fairbanks (Per specification 9.0)	\$3,000.00
1e	ea	Training in Juneau (Per specification 9.0)	\$3,000.00
1f	ea	Publications (Per specification 10.10)	\$1,100.00
1e	ea	Upgrade to Caterpillar D7E LGP.....	\$531,537.00

DELIVERY: 210 Days (After Receipt of Order).

F.O.B. Clarification: The FOB point for bid evaluation purposes is Dockside Seattle/Tacoma area. However, the bidder is responsible for shipping the unit to the final assigned destination. Final shipment to in-service locations as annotated on the Purchase Order will be arranged and pre-paid by the contractor. The actual cost from the Seattle/Tacoma area will be invoiced as a separate line item on the invoice for full reimbursement by the State. Shipping arrangements will always be in the best interest of the State and any extraordinary costs or circumstances must be pre-approved by the Contracting Officer prior to shipment.